DOCUMENT RESUME

ED 146 876 HE 009 454

AUTHOR	Stewart, Donald M.
TITLE	The Not-So-Steady State of Governance in Higher Education. An Occasional Paper of the Aspen Institute for Humanistic Studies Program on Education for a Changing Society.
INSTITUTION	Aspen Inst. for Humanistic Studies, Palo Alto, Calif.
PUB DATE	76
NOTE	32p.; Notes in document may be marginally legible due to size of type
AVAILABLE FROM	Aspen Institute for Humanistic Studies, Publishing Program Office, P.O. 1652, Palo Alto, CA 94302 ($1.50)
EDRS PRICE	MF-$0.83 HC-$2.06 Plus Postage.
DESCRIPTORS	Collective Bargaining; Decision Making; Educational History; Educational Responsibility; Federal Government; Financial Support; *Governance; *Government Role; *Higher Education; *Institutional Role; Manpower Development; *Policy Formation; *Public Policy; Research; School Responsibility; Social Responsibility; State Government; Student Financial Aid

ABSTRACT

No longer is there a clear understanding and appreciation, either inside or outside the academic community, of how, by whom, and for what purposes the institutional affairs and intellectual resources of higher education are to be managed and directed. The basic governance questions that are being asked today should relate to the locus of responsibility, power, authority, and accountability for the decisions that must be made during this period of readjustment. The manner of making decisions in higher education has changed less radically over time than the number and type of actors participating in the decisionmaking process. To understand these changes certain factors must be considered: the history and evolution of internal governance, collective bargaining, federal and state governmental role and influence, federal research support and support for highly skilled manpower development, institutional support, special benefits and classes of persons, new forms of student aid for equal access of low-income and educationally disadvantaged students, governance as a social context, and public policy. Along with the academic freedom and autonomy that are essential to the goals of higher education goes responsibility for the maintenance of the public trust. A new social contract can be forged between government as agent of the public interest and institutions of higher education that hold the public trust. Individual rights and responsibilities must be guaranteed as well. Scholarship is higher education's most valuable public service. (Author/MSE)

Documents acquired by ERIC include many informal unpublished materials not available from other sources. ERIC makes every effort to obtain the best copy available. Nevertheless, items of marginal reproducibility are often encountered and this affects the quality of the microfiche and hardcopy reproductions ERIC makes available via the ERIC Document Reproduction Service (EDRS). EDRS is not responsible for the quality of the original document. Reproductions supplied by EDRS are the best that can be made from the original.

An Occasional Paper of the Aspen Institute for Humanistic Studies
Program on Education for a Changing Society

The Not-So-Steady State of Governance in Higher Education

Donald M. Stewart

U.S. DEPARTMENT OF HEALTH
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Aspen Institute
for Humanistic Studies

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC) AND USERS OF THE ERIC SYSTEM."

The Aspen Institute for Humanistic Studies

717 Fifth Avenue
New York, NY 10022
(212) 759-1053

1000 North Third Street
Aspen, CO 81611
(303) 925-7010

Robert O. Anderson
Chairman of the Board

Joseph E. Slater
President

John Hunt
Vice President

Wesley S. Melahn
Business Manager

The Aspen Institute for Humanistic Studies, a private not-profit organization founded in 1949, is an international institution concerned with the problems and values of contemporary life.

Directors, Thought-Leading-To-Action Programs

Douglass Cater, Program Council
Harlan Cleveland, International Affairs
Roland Homet, Communications and Society
Francis Keppel, Education for a Changing Society
Robert B. McKay, Justice, Society and the Individual
Waldemar Nielsen, Pluralism and the Commonweal
Walter Orr Roberts, Science, Technology and Humanism
Shepard Stone, Aspen Institute Berlin
Thomas W. Wilson, Jr., Environment and the Quality of Life

Program on Education for a Changing Society
Time-Life Building
1?1 West 50th Street
New York, New York 10022

Education for a Changing Society is one of the Institute's seven thought-leading-to-action programs.

Francis Keppel, Director
Nancy Peiz-Paget, Assistant Director
Michael Timpane, Director of Studies

Additional copies of this paper may be ordered from the

Aspen Institute for Humanistic Studies
Publishing Program Office, P.O. Box 1652,
360 Bryant Street, Palo Alto, CA 94302.
(415) 327-2270.

Price: $1.50 per copy.

An Occasional Paper of the Aspen Institute for Humanistic Studies
Program on Education for a Changing Society

THE NOT-SO-STEADY STATE OF GOVERNANCE IN HIGHER EDUCATION

by

Donald M. Stewart
University of Pennsylvania

Library of Congress Cataloging in Publication Data

Stewart, Donald M 1938-
The not-so-steady state of governance in higher education.

(An occasional paper of the Aspen Institute for Humanistic Studies, Program on Education for a Changing Society)
Includes bibliographic references.
1. Universities and colleges—United States—Administration. I. Title. II. Series: Aspen Institute Program on Education for a Changing Society. An occasional paper — Aspen Institute for Humanistic Studies, Program on Education for a Changing Society.
LB2341.S775 378.73 76-15364
ISBN 0-915436-17-5

ASPEN INSTITUTE PROGRAM ON EDUCATION FOR A CHANGING SOCIETY

Time Life Building
111 West 50th Street
New York, NY 10020

Published in the United States of America in 1976
by the Aspen Institute for Humanistic Studies

All rights reserved

ISBN 0-915436-17-5
Copyright ©1976 by Aspen Institute Program on Education for a Changing Society

Printed in the United States of America

FOREWORD

The Program on Education for a Changing Society, one of seven thought-leading-to-action programs of the Aspen Institute for Humanistic Studies, has been based on two assumptions. The first is that the impetus for change in educational institutions, from the preschool through the university, is more likely to derive from changes in the wider society than from forces within the institutions themselves. Educational policy must be formed in concert with other aspects of public policy and program development, such as taxation, housing, pensions, and income transfers, as well as research and training. The second assumption is that current definitions of "education" may need to be changed.

These two assumptions guided the selection of topics to be analyzed by participants of the program and also guided the choice of procedures to be used. The program sought to identify those areas where there may be a connection, or "fit," between the possible changes society will undergo in the late 1970s and 1980s and the capacity of educational institutions at the federal, state, and local levels to play a role in these changes. It is the goal of the program to propose action to be taken in this area during the 1977-90 period.

For the first phase of the program topics to be analyzed were chosen that met the following criteria:

a. There should be a clear connection between the topic under consideration and the current broad definition of "education";

b. There should be a reasonable possibility that specific proposals concerning the topic could be translated into action by state and/or federal authorities and public and private institutions;

c. There should be a reasonable possibility that action proposed as a result of the Program on Education could be effective before the end of the 1977-90 period.

Initially, the program focused on two general categories: (1) The Social Context of Educational Policy, and (2) Finance and Governance of Education. Although a separation was necessarily made between pre-collegiate and postsecondary levels of education for some of the topics in the categories, an effort was made to develop information and recommendations that provide links among all levels of education. This effort included the production of a set of background policy papers to provide a basis for analyzing recent experience and/or for outlining oncoming social and education issues in a format usable by program participants. These papers were prepared by scholars and education policy commentators, and were first reviewed by peers of the authors in small group meetings during the spring of 1975. Then the revised papers (included in this series) were used as the basis for two workshops held in Aspen, Colorado, in July 1975. The titles of these papers are:

THE DEMOGRAPHIC CONTEXT OF EDUCATIONAL POLICY PLANNING by Peter A. Morrison of the RAND Corporation

EDUCATIONAL INDICATORS AND EDUCATIONAL POLICY by Thomas C. Thomas and Meredith A. Larson of Stanford Research Institute

A DEVELOPMENTAL PSYCHOLOGIST LOOKS AT EDUCATIONAL POLICY: OR THE HURRIER I GO THE BEHINDER I GET by Helen L. Bee, a developmental psychologist

STUDENTS, SCHOOLS, AND EDUCATIONAL POLICY: A SOCIOLOGICAL VIEW by Sarane Spence Boocock of The Russell Sage Foundation

THE DECLINING ECONOMIC VALUE OF HIGHER EDUCATION AND THE AMERICAN SOCIAL SYSTEM by Richard B. Freeman of Harvard University

THE NOT-SO-STEADY STATE OF GOVERNANCE IN HIGHER EDUCATION by Donald M. Stewart of the University of Pennsylvania

GOVERNANCE OF ELEMENTARY AND SECONDARY EDUCATION by Michael W. Kirst of Stanford University

The authors, selected reviewers, and other program participants representing different education constituencies had a double task at these workshops: to criticize the documents and to comment on their implications for change.

The subsequent work of the program will be the preparation of statements of policy implications and proposals for action based upon the conclusions reached by the 1975 workshops. These statements and proposals will be presented in a form that could serve as the basis for policies and programs for state and local governments, private institutions, the Congress and federal agencies, as well as new intergovernmental arrangements. Recommendations will be based on a series of policy papers prepared during 1976 on such topics as non-educational policies to advance educational goals; intergovernmental planning and policy coordination; educational implications and possibilities of collective bargaining; recurrent education and public policy; school site management; staff development strategies; testing and public policy issues; and the role of the state in higher education. The director and staff of the Program on Education plan to be available for consultation with appropriate authorities on all policy alternatives and proposals for action. It is hoped that the recommendations and related materials will be ready by the late fall of 1976.

Francis Keppel
Director
Program on Education
for a Changing Society

THE NOT-SO-STEADY STATE OF GOVERNANCE IN HIGHER EDUCATION

In recent years, colleges and universities have been deeply involved in serious controversy and debate over higher education issues relating to ends and means. No longer is there a clear understanding and appreciation, either inside or outside the academic community, of how, by whom, and for what purposes the institutional affairs and intellectual resources of higher education are to be managed and directed. Described by many as the "general malaise" of higher education, this situation has only worsened with the apparent decline in the economic value of university and college degrees.[1] The anticipated drop in college and university enrollments due to take place nationally by 1980 and the severe financial retrenchment that must take place over the next 10 to 15 years as a result of rising costs and decreasing revenues offer little hope or possibilities for significant relief. The basic governance questions that are being asked today should therefore relate to the locus of responsibility, power, authority, and accountability for the decisions that must be made during this period of readjustment. Clearly, such questions ought properly to reflect the kinds of governance mechanisms that exist in higher education and the nature of the decision-making process used to protect specific values. Also to be considered are the potential roles for the various institutional, governmental, and individual actors involved in the formulation and allocation of such values. It is evident that just to raise the issue of values and to ask whose values for higher education are most appropriate is to raise the age-old political question, "Who governs?" Herein lies the principal concern of this paper.

Given the size and diversity of American higher education and the highly pluralistic character of our society, it is virtually impossible to make generalizations about goals and governance mechanisms that apply uniformly across the entire range of institutions, programs, and participants that comprise and help shape the higher education system. Private liberal arts colleges, however, provided the early model for governance in all American institutions of higher education. Change in that basic model came only in 1876 with the addition of graduate training and research functions at Johns Hopkins University, followed by the creation of state land grant institutions in the late nineteenth century. As colleges and universities grew in number, size, and complexity, governance structures and processes, too, proliferated and became more complex. However, most changes and adaptations in the governance of private institutions and systems of public institutions are but variations on the early mode of collegiate decision making in the private liberal arts college. In fact, the manner of making decisions has changed less radically over time than the number and type of actors participating in the decision-making process. Changes in the modes and methods of governance are largely the result of changes in scale and mission of the higher education enterprise. The reasons for this are largely historical.

Evolving Internal Governance: A Historical Perspective

Throughout its history, American higher education has been a self-regulating enterprise, largely because its origins were private. As a result, individual institutions as well as their constituent parts (*e.g.*, departments, schools, research institutes) have traditionally enjoyed a relatively high degree of autonomy.[2] This traditional autonomy derives from the historic relationship between church and state in this country.[3] The separation of the two and, in turn, the separation

---

[1]Richard B. Freeman, "The Declining Economic Value of Higher Education and the American Social Systems," essay prepared for the Aspen Institute for Humanistic Studies Conference on Education in a Changing Society, July, 1975.
[2]Joseph Ben-David, *American Higher Education: Directions Old and New* (New York: McGraw-Hill, 1972), p. 3.
[3]*Ibid.*, p.11.

of powers within the latter provided the structural safeguards for institutional independence. Early private colleges and universities were founded largely by independent religious communities or intellectual leaders with a strong religious affiliation, while European institutions of higher learning developed under the aegis of either a state religion or the Catholic church. On the continent, secularization in the late eighteenth century merely meant the transfer of church functions to state functions. Centralized religious structures remained intact but under the control of a central civil authority. Institutions came to be controlled or governed accordingly. In the United States, however, particularly in the case of private institutions, the original religious basis for the founding of such institutions, though soon atrophied, was never replaced by any other clearly defined civil structure or organization. A single government authority or formal regulatory agency for higher education in the United States has still not evolved.

The absence of central control (even at the state level of government where constitutional responsibility for education normally resides) coupled with a tradition of religious freedom served to enhance America's freedom of intellectual inquiry and thought. In theory, at least, autonomous institutions have provided the shelter and insulation necessary for intellectual growth and the development of academic competence. Lay governing boards were created to help provide such insulation by serving as buffers between the early private institutions and the outside world. They were to help resist outside pressure, both governmental and religious, while simultaneously operating the college or university as a public trust. By remaining sensitive to the changing values of a larger society, board members were to help institutions adjust and adapt to external demands while not sacrificing the integrity (usually financial) of the institution or the academic process.

At the institutional level, two distinct organizational systems have evolved that help structure how decisions are made (or not made) and by whom. The two systems are an associational or collegial system and an executive or hierarchical system.[4] Traditionally, the first presumes equality and collegiality among all deemed worthy by their peers to be fellow members of an intellectual community. Decisions by members of the community are to be made jointly after appropriate discussion and analysis of the issue in question and on the basis of shared intellectual values and attitudes. The principle of consensus among colleagues is used in all cases where a decision or action is to be taken. The second case, more in keeping with a corporate decision-making model, distributes responsibility for decisions and action among a series of hierarchically arranged administrative offices with ultimate authority resting with a president who acts at the behest of a board of trustees.

The internal life of the higher education institution is ideally regulated or governed through the interplay and sharing of authority between the associational and executive systems. The 1966 "Statement on Governance of Colleges and Universities," issued jointly by the American Association of University Professors, the American Council on Education, and the Association of Governing Boards of Universities and Colleges, implicitly recognizes the two systems in its endorsement of the "shared authority" principle of governance.

However, as both the number of students attending colleges and universities and the number of institutions increased, so did administrative responsibilities (*e.g.*, admissions, counseling, financial management, property management, etc.) and the number of subjects taught. By the early twentieth century, colleges and universities were being organized academically according to the growing specialization of new fields of knowledge. Faculties were organized into departments along the lines of academic disciplines, extending medieval teaching forms where teaching was based on a body of classical knowledge with a narrowly prescribed curriculum,[5] and the

[4]The American Academy of Arts and Sciences, *A First Report: The Assembly on University Goals and Governance* (Cambridge: The Academy of Arts and Sciences, 1971), p. 26.

[5]E. D. Duryea, "Evolution of University Organizations," *The University As an Organization*, ed. James A. Perkins (New York: McGraw-Hill, 1973), p. 17.

faculty closely regulated their own students and controlled the instructional program. The growing fragmentation and specialization of knowledge represented by the departmental structure tended to weaken the associational process of decision making somewhat. Faculty members now came to represent the special interest of their discipline, department, and division.[6] Consensus building became a matter of building political coalitions and bargaining within faculty committees, senates, and councils. But as long as there was fairly wide agreement on intellectual values and the mission of the institution, consensus was possible and conflict held in check.

Administrative activities grew in size and scope, yet hierarchical decision making was still guided by the need for consultation with numerous deliberative faculty bodies. In this system of coadministration, authority for final action still rested in theory with the president and the board, but multiple power groups within the faculty could easily block an administrative decision, particularly if it involved an educational matter for which the faculty was ultimately responsible.[7]

As a result of this arrangement between administration and faculty common to most colleges and universities by the end of the first quarter of the twentieth century, governance could be characterized as neither completely associational or hierarchical, but a combination of the two in which power was fluid and distributed between both systems, leaving institutional authority at best ambiguous and ill defined.[8] While not very efficient or expeditious, however, this highly decentralized, pluralistic mode of self-governance served to protect the special interests and prerogatives of individual faculty members and departments for some time. As long as institutions were fairly autonomous, affluent, and relatively free from pressure, both internal and external, this mode of governance was, in fact, congenial for both the academic administrator and the faculty member. A system of shared authority worked as long as no one really had to answer the question, "Who governs?" with any great degree of specificity.

By the beginning of World War II, the consensus model of decision making was widely accepted in theory, if not always in practice, in most American colleges and universities (public and private) in spite of the decreasing homogeneity and increased specialization of faculties. Regardless of formal governance mechanisms, the political center of gravity rested solidly in a professionalized faculty with power emanating up from departments, faculty senates, and other political subunits of the college or university.[9] Those governing did so with the consent of the governed, but authority so delegated, while limited and constrained, was fairly unencumbered. In 1942, Logan Wilson, writing his classic book, *The Academic Man,* could liken differences between administrators and faculty members to those between artillery officers and infantry officers, rather than between generals and captains. The differences, he said, were ". . . primarily functional rather than scalar."[10] If there were a "pecking order" either within institutions or among types of institutions, it derived from scholastic achievement and research productivity, not from position.

Established processes and structures of governance built on the principle of faculty sovereignty appeared to change in the early 1960s. Much influenced at the outset by student unrest and increased student involvement, the view of universities and colleges as intellectual communities relying on a consensus model of self-governance gave way to a conflict model in which competing interests and groups, both internal and external, vied for power and control of the institution.

---

[6]*Ibid.*, p. 25.

[7]*Ibid.*, p. 31.

[8]Michael D. Cohen and James G. March, *Leadership and Ambiguity: The American College President* (New York: McGraw-Hill, 1974), p. 4.

[9]Christopher Jencks and David Riesman, *The Academic Revolution* (Garden City, New York: Doubleday, 1968), p. 15.

[10]Logan Wilson, *The Academic Man: A Study in the Sociology of a Profession* (New York: Oxford Univ. Press, 1942), p. 73.

Increased competition for scarce resources within institutions only further increased the conflict. As a result, universities and colleges came to resemble perpetual anarchies.[11] No longer was there a center of authority recognized as legitimate by competing groups within institutions, be they faculty or students. The traditional balance between associational and hierarchical decision making processes thus shifted radically in the direction of a distorted version of the former, leaving many institutions paralyzed and unable to set priorities or make critical choices. Today, the pendulum is rapidly shifting back in the direction of greater hierarchical and administrative control, a result of the need for strong central fiscal management and direction of the institutional retrenchment process.

Decision making or governance in colleges and universities, however, has never been easy even under the best of circumstances. Presidents have always had to operate in the face of countervailing power emanating from various factions within the faculty, student body, trustees, and such outside groups as alumni, government agencies, accrediting bodies, and the general public. Given the nature of the educational process, goals have always been unclear, and the authority necessary for real leadership or initiative from "the top down" always has been ambiguous. Unlike a business corporation with a clear hierarchical management structure, measurable output, and a profit indicator of success or failure to guide organizational decisions, college and university heads have often had to respond to hundreds of largely autonomous actions taken for different reasons at different times under different conditions by different people within the institution. The only bilateral negotiations have traditionally been between faculty and students in the classroom. Educational decisions, therefore, have seldom, if ever, been made centrally. Knowledge and learning, the institution's output, can only be aggregated in the most general fashion. The institution can only serve a certification function based on the decentralized action of individual faculty members and students. An administrator passing judgment on the expertise and area of specialization of faculty members does so at his or her own peril. Such judgments rest largely with professional peers not constrained by departmental or institutional boundaries.

The current problems of leadership and structural incoherence within colleges and universities were thus not created solely by events and forces unleashed during the 1960s. They were, however, severely exacerbated by them. During that period, campuses turned into battlegrounds for warring interest groups. Students, faculty, and administrators all sought a power base from which to oppose others. The politicizing of campuses was accompanied by serious questioning of the nature of the academic mission, its goals, values, whom it is to serve, and how and why. The emergency of "student power," followed by "black power," "junior faculty power," "senior faculty power," and "woman power" has broken down any pretense that universities and colleges are harmonious intellectual communities free from group bias and vested interests.

These elements were always present but largely dormant. Propelled by them and by pressures to be more egalitarian and responsive to group demands, institutions have been forced to abandon informal systems of representational governance with the implicit assumptions of status and authority in favor of an explicit set of rules, procedures, and rights allowing maximum feasible direct participation of all groups in decisions that might conceivably affect their interests. The most recent manifestation of this shift from informal to formal governance patterns in institutions is the increasing pressure for collective bargaining and unionization by faculty and staff.

---

[11] Cohen and March, *op. cit.*, p. 2.

Collective Bargaining

Having started in the early 1960s in community colleges, the faculty unionization effort is, in fact, now gaining momentum. While still concentrated largely in public two-year and four-year colleges, it promises to spread to many more types and sizes of higher education institutions. Somewhat reluctantly, the American Association of University Professors made itself eligible as a faculty bargaining agent in the early 1970s.[12] It did so largely to compete with the National Education Association and the American Federation of Teachers, both of which were rapidly increasing the enrollment of higher education faculty into their ranks because of their successful collective bargaining efforts.

Faculty unionization efforts have the greatest chances for success in institutions like community colleges and, to a lesser extent, in state colleges, where a long tradition of faculty participation in a horizontal collegiate decision-making process does not exist. Closely allied with county governments or local public elementary and secondary school systems, community colleges have long been governed more hierarchically or bureaucratically than associationally – the associational or collegial governance model is closely associated with the more prestigious private liberal arts colleges and research universities. Through collective bargaining, community college faculties have been able to substitute bilateralism in decision making for the unilateral determination of policy by administrators that has so long been the rule in these institutions. The same holds true in many state institutions where faculty unions negotiate directly with state officials in order to voice their concerns and protect their economic interests in increasingly complex and bureaucratized state systems of higher education. Faculty unionization is therefore a manifestation of faculty perceptions of powerlessness and economic insecurity. To the extent that institutions and state systems of higher education become increasingly "managerial" or non-associational in their governance patterns, faculty unionization can be expected to increase and spread to institutions of all types. The current erosion of the faculty's economic status, due to the failure of institutions and systems of higher education to stay abreast of job loss in a period of retrenchment, will only hasten the process of faculty unionization.

Faculty unionization and collective bargaining promise the perpetuation of governance by conflict in universities and colleges. The clear-cut line between management and labor that gets conveniently obscured in informal relations between the executive and associational systems when decision making is done by consensus is never obscure when collective bargaining becomes the institutionalized process for making decisions. Adversarial relationships become the rule. While not lending itself to the rather slow and inefficient process of faculty town meetings that was the practice in bygone days, collective bargaining may be more appropriate for an age in which all universities and colleges are thought of as public utilities, delivering services as any other public utility. Faculty as labor will perform contractual duties to satisfy clients and above all, give clients what they want and what they will pay for. Management will regulate the subject only to the terms of the contract.

In the final analysis, any mode of internal university and college governance should exist to make education possible and to enhance its quality. Current emphases on the maintenance and enhancement of group power and the institutionalization of adversary relationships in the decision-making process detract seriously from this end. The difficulties in making effective decisions in an already fragmented and diffused organizational setting are only increased. As Martin Meyerson has observed:

---

[12]The American Association of University Professors, *Policy Documents and Reports* (Washington, D.C.: AAUP, 1973), p. 52.

> Good governance depends on a reasonable allocation of responsibilities that makes the structure of authority credible for all these groups. It is impossible that all should decide everything or be consulted on every issue.[13]

He goes on to suggest that the conflicting organizational systems, the associational and the executive or hierarchical, be combined into a system of delegated, responsive governance in which authority and responsibility would be exercised by institutional executives (*i.e.*, presidents) who would be held accountable and checked by faculties and others when there was great dissatisfaction with their decisions or actions.[14] It would be a system of governance relying on a "post-audit" rather than a "pre-audit" of executive initiative.

Governmental Role and Influence

Clearly leadership in colleges and universities is difficult at best. Given the present emphasis on direct democracy and decentralized decision making, educational leadership is impossible. Decisions are often made on the basis of power relationships and interest group politics, not on sound educational principles like free intellectual inquiry and academic performance. The great dilemma, however, is how to balance claims for more efficient modes of institutional governance and academic excellence against the need for equity and accommodation of the public interest. Increasingly, institutions and interests outside the academic establishment are seeking to resolve this question. Unless institutions overcome the current immobilization of their governance structures, clarify their educational goals, and face squarely the equity issues of a larger society, their individual choice opportunities will diminish even further. What little autonomy and credibility remain to them will also be lost. Already, the internal governance of institutions of higher learning is subject to wide and varied external influences. None is so pervasive as that which emanates from federal and state governments.

Since there is no nationally organized and centrally administered system of higher education in the United States, responsibility for educational policy rests in both the executive and legislative branches of the federal government. To complicate matters, education has traditionally been a state, not a federal, function. Consequently, there are fifty systems of higher education (as well as systems within those systems, given the public/private mix of institutions within all states), all operating independently of one another. This confusing situation is exacerbated by a still growing proliferation of federal higher education programs, agencies, and interests that also involve state and local governments. As an index of government diversity, the catalog of *Federal Domestic Assistance Programs for 1973*, prepared by the Office of Management and Budget, lists over 400 categorical programs supporting some facet of higher education.[15]

It is little wonder that Babbidge and Rosenzweig have suggested that "separateness" is the dominant characteristic of federal structure and involvement in higher education.[16] Their characterization is quite appropriate, for while the Department of Health, Education and Welfare (HEW), through the National Institutes of Health, Health Services and Mental Health Administration, the Office of Education, the Fund for the Improvement of Postsecondary Education, and to a lesser extent, the National Institute of Education, is a major source of support for higher education, it is by no means the only source of support. The National Science Foundation, the Department of Agriculture, the Department of Defense, the National

---

[13]Martin Meyerson, "Impetus to the Faculty – In University Governance," speech given in Houston, Texas, February 17, 1971.
[14]*Ibid.*
[15]National Commission on the Financing of Postsecondary Education, "Financing Postsecondary Education in the Last Quarter of the Twentieth Century" (1973), p. 106.
[16]Homer D. Babbidge, Jr. and Robert M. Rosenzweig, *The Federal Interest in Higher Education* (New York: McGraw-Hill, 1962), p. 77.

Aeronautics and Space Administration, and the Atomic Energy Commission are also sources of support. In addition, the Departments of Labor, Commerce, Transportation, Housing and Urban Development, Veterans Administration, Social Security Administration, and the National Foundation for the Arts and the Humanities are involved in some facet of university and college life. There is little cooperation or coordination among these various agencies, however, in the formulation or implementation of their respective programs, even though they are all represented on the extraordinarily weak coordinating body, the Federal Interagency Committee on Education (FICE).

It is interesting to note that in their relations with one another and with their various clientele groups, the above-mentioned federal agencies affecting higher education have *the same governance problems* as those institutions of higher education. They, too, are in a perpetual state of anarchy. Each agency has its own set of particular interests and constituencies that it jealously guards and seeks to promote. And, first and foremost, each agency seeks to protect and enhance its jurisdictions and sources of political and material support in order to insure its own survival. To the extent that coordination means the reconciliation of competing agency goals, elimination of duplicative agency programs, or the substitution of one agency's goals or purposes for those of another, it will be resisted.[17] As in the case of individuals, groups, departments, institutes, and schools within colleges and universities, no agency of government will willingly relinquish its autonomy or compromise its stated purposes (regardless of how obscure) or programs in order to bring about greater efficiency and effectiveness. Coordination therefore remains an elusive goal in government as well as in institutions of higher education, making coherent education policy and consistent educational programs almost impossible to achieve.

Federal involvement in higher education traditionally has not been direct but indirect and tied to national purposes, such as the development of new territories, defense, or most recently, race and class equality. Colleges and universities traditionally have served as instruments or means by which these national purposes have been pursued, rather than as ends in themselves. According to former Cornell University President James Perkins, the federal government has not made decisions about higher education at all, but its various parts have made decisions about parts of higher education:

> Thus the Atomic Energy Commission has been concerned with research and study in physics; NASA has supported expansion in astronomy; the Defense Department, a whole variety of applied and basic research activities; the National Science Foundation, the scientific and engineering aspects of higher education with a modest bow to the social sciences; the National Endowment for the Humanities has supported its designated field, and so forth. Surely the federal government regards itself as supporting higher education in that it supports important parts of it. But compared to the attention state governments give to supporting the system of higher education, no such attitude, no such plan, no such capability yet exists at the federal level.[18]

Most federal support programs for higher education can be grouped according to one or more of the following categories:

1. Support for research in areas of national interest (*e.g.*, defense, health, energy, etc.).

2. Manpower training.

3. Institutional support for specific areas of institutions (*e.g.*, black colleges) and special institutional needs (*e.g.*, construction of academic facilities, dormitories, etc.).

---

[17] Harold Seidman, *Politics, Position and Power: The Dynamics of Federal Organization* (New York: Oxford Univ. Press, 1970), p. 33.

[18] James A. Perkins, "Coordinating Federal, State and Institutional Decisions," background paper presented at ACE Annual Meeting, Washington, D.C., October 10, 1973, p. 9.

4. Special benefits to certain classes of persons (*e.g.*, veterans, survivors of social security beneficiaries as well as handicapped, blind, and disabled persons currently eligible to receive social security benefits).

5. Equal access for low-income and other educationally disadvantaged students.[19]

These five categories or subsets of objectives are key elements in the process by which government has come historically to support and, many would argue, regulate, higher education institutions. The principles and precedents involved in shaping these various federal programs began to take shape in the late nineteenth century. As they evolved, different sectors and types of higher education institutions have been affected differently. For example, the large research institutions have been affected by programs in the first category while, most recently, the community colleges have become most interested in the fifth category. Such interests are ever changing.

The last half of the nineteenth century witnessed the passage of the two Morrill Acts (1862 and 1890), which provided, for the first time, federal funds on a large scale in support of higher education. As an attempt to reduce political tensions between the northern and the southern states, these two pieces of legislation established the principle of equalization of educational support among the states, based on distribution of population. At the same time they legitimized the notion of state-disbursed federal grants-in-aid for educational purposes which led to the establishment of the 69 federally supported state land grant institutions emphasizing applied science and mechanical training for both an agricultural and newly emerging industrial non-elite.

Six years before the historic Supreme Court ruling in the case of *Plessey v. Ferguson*, the second Morrill Act carried provisions for the establishment of "separate but equal" land grant institutions for the higher education of whites and blacks at the postsecondary level of education, paralleling the segregated public school system being maintained through the south. This situation was to remain until the Supreme Court desegregation decision of 1954 (*Brown v. Board of Education* of Topeka, Kansas), further strengthened by the Civil Rights Act of 1964.[20]

By the end of the nineteenth century, the distinctive "piggyback" style of federal involvement in higher education, whereby federal assistance to educational institutions was the by-product of assistance for other purposes, had emerged. This indirect approach to federal financing and federal direction of state-level educational activities can again be partially explained by the absence of an explicit constitutional basis for the involvement of the federal government in education. The Tenth Amendment, by implication, defines education as a state function. Also, as mentioned earlier, the newly established federal republic did not inherit and, therefore, did not have need to secularize, the educational functions of a dismantled state church. Freedom of education went hand in hand with freedom of religion. If government was to be involved in education at all, it was to be state government. A non-educational rationale or purpose, therefore, had to be found to justify federal involvement in any form of education, along with a subtle means of inducing state cooperation.

The second Morrill Act moved federal assistance from a broad-scale program of state endowment grants in the form of land to lump sum cash payments to states with which they were to build and maintain the land grant institutions. This form of federal subvention led in turn to the special purpose grants designated for functional areas within the state-based, but federally

---

[19]National Commission on the Financing of Postsecondary Education, *op. cit.*, p. 107.

[20]U.S. Congress, House, *Federal Educational Policies, Programs and Proposals, Part I: Background Issues and Relevant Considerations*, 90th Congress, 2nd Session, 1968, House Doc. 398, p. 18.

created, institutions. There were several such pieces of legislation, such as the Hatch Act (1887), which gave federal support for agricultural experiment stations and practical research. The Smith-Lever Act of 1914 introduced the principle of matching federal funds with state and local funds for the purpose of expanding agricultural extension work and training in home economics. The Clarke-McNary Act of 1924 and the Norris-Doxey Act of 1937 further strengthened the extension work of land grant institutions. This federal pattern of indirect aid to higher education has continued well into the twentieth century, and, almost always earmarked for specific purposes, it is most appropriately described as categorical assistance.

Federal Research Support

World War II signaled the real beginning of higher education's "federal period," with an early emphasis on federal support for scientific research and training. The federal government's response to the national emergency brought on by World War I created a political atmosphere in which federal funds could be channeled into universities and colleges for defense-related research and training purposes. The scale and duration of such efforts were modest, however, when compared with those of World War II.

By the end of World War II, federal funding for higher education had reached a level of $100 million annually.[21] An increased federal interest in the research and development role of higher education grew out of the successes scored by this field during World War II. The Manhattan Project, plus the successful utilization of hundreds of campus and government-based scientists and engineers in a variety of defense-related research and training projects, guaranteed a continuing university-government relationship in the area of scientific research development and training. Prior to the war, federally sponsored university research monies totaled approximately $15 million and had been mainly in agriculture.[22] By 1970, such monies totaled over 100 times that amount.

From 1945 to 1963, federal support of higher education was devoted almost exclusively to research, training, and development in areas related to defense and space technology. In addition to support for basic research from the National Science Foundation (NSF), created in 1950, federal R&D support came in the form of project grants or contracts from the mission-oriented agencies, such as the Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), the Atomic Energy Commission (AEC), and the National Institutes of Health (NIH). Engineering, math, and the physical sciences were the most favored fields during the 1950s, followed by biomedical science toward the end of the decade, with the social sciences receiving increased federal support beginning early in the 1960s.[23] For the most part, federal research funds gravitated toward the large private and research-based public universities in the northeast and far west of the country (*e.g.*, Harvard, MIT, Cornell, Cal Tech, Stanford, the University of Washington, and the University of California, Berkeley), with the Universities of Michigan, Wisconsin, and Illinois being the geographical exceptions. NSF's subsequent pattern of funding "centers of excellence" helped reinforce this institutional configuration as well as the high status and prestige of the research functions generally, and these particular institutions specifically.

---

[21] "National Policy and Higher Education," unpublished, Report of a Special Task Force to the Secretary of Health, Education and Welfare, October, 1973, p. 74.

[22] *Ibid.*

[23] Harvey Brooks, "The Physical Sciences' Bellwether of Science Policy," *Science and the Evolution of Public Policy*, ed. James A. Shannon (New York: Rockefeller Univ. Press, 1973), p. 119.

Federal Support for Highly Skilled Manpower Development

The National Defense Education Act (NDEA) passed in 1958 was a major federal response to the launching of Sputnik. Funds provided through this piece of legislation continued the trend of strengthening the research and development capabilities of a select number of institutions already noted for their academic excellence and research competence. Essentially a scientific manpower training act, it complemented ongoing research activities through support of instruction in science and mathematics, as well as establishing loans and grants for academically able students. Many student recipients of NDEA funds attended the major institutional beneficiaries of federal research funds.

By the early 1960s, however, Congress had become extremely disturbed by the high concentration of federal research and training funds, as well as the country's most able students, in a small and select number of institutions. The NSF, NASA, AEC, and the Office of Education, which had come to administer many of the NDEA student grant and loan programs, were forced to liberalize the terms under which institutions and students could receive research and graduate training grants. Every congressman wanted a research industry in his district or area and therefore pressured for wider distribution of federal research funds and graduate programs. As a result of congressional pressure, federal support became more dispersed.

Dislocations in institutional governance have occurred as a result of federal support patterns for research and graduate training. When the major share of federal funds was earmarked for research and training purposes in a select number of institutions, institutional missions and relations began to change. Institutional purposes became distorted. The research university became the single model of excellence in American higher education. Institutions of all types – state colleges, liberal arts colleges, and community colleges – sought to emulate it. Within the single research university, departmental imbalances also became apparent with the federally favored disciplines, usually physics, math, and engineering, enjoying immense autonomy and distinction, as compared to the low-resource fields, such as those in the humanities and the social sciences. Because of the federal reward structure, teaching and undergraduate education came to be less important than graduate training and research. Institutional autonomy and control over departmental activity, particularly with regard to government-sponsored research projects, became almost non-existent. Linkages between academic departments and the particular government agency sponsoring their research projects became stronger than linkages between departments and the central administration of the university in which they were housed. Such external loyalties were further reinforced by loyalties to profession and discipline, which transcended institutional boundaries.

Following the principle of collegiality as applied in institutional governance, the practice of peer group review in the determination of project eligibility for NSF funding set a pattern for other agencies as well. Again, personal loyalties to profession and discipline were placed over those that might accrue to an institution. The effect was to reduce further the institutional role to little more than custodian and administrator of predetermined government-sponsored projects and programs. Institutional priorities came to reflect government priorities. No institution would deliberately refuse to accept federal largesse. It was not until 1966, when the federal budget began to reflect a general cutback in support for government-subsidized graduate science and graduate education programs, that these trends stabilized. All such shifts in federal funding patterns affect power relationships among fields at an institutional level since the most heavily subsidized fields with the largest faculties tend to have a greater voice in university and college governance.

Institutional Support

Since most federal support is channeled through an enormous number of categorical aid programs, it is difficult to sort out those programs that might uniquely be considered direct federal assistance or general support for higher education institutions themselves. Institutional overhead charges for indirect costs attached to government-sponsored research and development contracts is one form of government contribution to general institutional operating expenses. Another example is the automatic subvention received by the land grant institutions each year in accordance with a formula developed originally in the Morrill Act of 1890. Construction is yet another form of institutional support.

During the economic depression of the 1930s, federal aid was available for campus construction through the Public Works Administration (PWA). This, in turn, led to loans for faculty and student housing during the 1950s. The Housing Act of 1950 (P.L. 475) authorized loans for dormitories and other educational facilities that were administered through the Housing and Home Finance Agency. This same act (Sec. 112, Title I), as amended by Congress in 1959, permitted institutions to undertake massive urban renewal projects in cooperation with city government.

In response to expanding student enrollments and increased faculty sizes, the Higher Education Facilities Act of 1963 put the government permanently into the business of providing regular support for campus construction. Beginning with grants for laboratories and other research facilities, followed by matching grants for undergraduate and graduate facilities, federal construction expenditures reached a level of $720 million per annum by 1968. Due to initial overproduction and an unanticipated leveling or decline in student enrollments, many of these institutional facilities are today underutilized or empty.

There are a few institutions to which the federal government gives direct general support. The service academies, and such schools as Gallaudet University for the deaf and Howard University, both in Washington, D.C., are examples of these. Aid to developing institutions, Title III of the Higher Education Act (1965) and Amendments (1972), was designed originally to upgrade black colleges through faculty-student exchanges and shared library resources with so-called "advanced institutions." Until recently, Title III funds were almost the exclusive preserve of black colleges. Today, however, claiming eligibility on the basis of high enrollment of black students, the junior and community colleges are also receiving Title III funds.

Finally, the tax exemption for voluntary contributions to nonprofit institutions under Section 501 (C) (3) of the Internal Revenue Service code provides yet another indirect federal subsidy for private higher education institutions. The tax exemption, along with government surplus property grants administered by the General Service Administration, perhaps provide the most unfettered forms of general institutional assistance. The amount of this general institutional support is miniscule, however, compared to that given to special programs and individuals within institutions.

Special Benefits and Classes of Persons

Federally subsidized education benefits for veterans represent a special category and set of federal objectives. The GI Bill of Rights was the first major federal contribution to a large-scale national scholarship program. Following World War I, there had been a federal policy of providing vocational rehabilitation and training for veterans (Vocational Rehabilitation Act, June 27, 1918), but it never reached the scale, or had the impact, of the GI Bill. Veterans attended

government-run vocational training centers in the first instance, while after World War II they became students in colleges and universities, pursuing a wide variety of academic programs. Their government subsidies indirectly provided an important form of institutional aid and a great deal of competition existed among institutions to get veterans as students.

The GI Bill, officially entitled the Servicemen's Readjustment Act, was signed into law on June 22, 1944. Designed in part to make military service more attractive to potential enlistees and draftees, this legislation was at the same time a clear federal effort to reward returning veterans for educational and occupational opportunities lost because of the war. The bill both expanded the number of persons receiving some form of postsecondary education and increased veterans' social and economic mobility.

The original GI Bill had an enormous impact on institutions of higher education. The mature, more dedicated former servicemen proved to be able students, and, at the same time, brought to colleges and universities a new diversity of skills and backgrounds. They helped democratize higher education and move it from its elitist moorings. More than 15 million persons were eligible for assistance under the Act and over 6½ million availed themselves of various educational opportunities at a total cost to the federal government of $8 billion.[24]

Equal Access for Low-Income and Other Educationally Disadvantaged Students: New Forms of Student Aid

The National Commission on the Financing of Postsecondary Education has documented the fact that student financial aid is the fastest growing form of federal support for all of post-secondary education. Student aid from all federal sources reached an estimated $3.7 billion in fiscal year 1972. By commission calculations, this represented 44 percent of total federal aid to all of postsecondary education exclusive of research and development expenditures.[25] Increasingly since the early 1960s, student aid has served as an instrument of social policy and has been directed to the poor and disadvantaged as a means to increase educational opportunity and enhance social mobility. This trend has continued in the passage of what amounts to an educational "equal opportunity bill," the Higher Education Amendments of 1972. The provisions contained in this legislation promise even greater increases in student assistance and greater reliance on this method of financing higher education.

The Economic Opportunity Act and the Civil Rights Act of 1964 set the egalitarian tone for that decade. The Higher Education Act (HEA) of 1965 (P.L. 89-329) reinforced this emphasis with the inclusion of an Education Opportunity Grants (EOG) program, under which students with "exceptional financial need" could receive up to $1,500 in federal funds; these funds, in turn, were to be matched by the institution in which the student recipient was enrolled.[26] Under the provisions of the EOG program, federal funds are allocated to institutions, not individuals, as in the case of veterans receiving benefits under the GI Bill.

The Higher Education Act of 1965 was amended in 1966 and 1968, each time increasing funds earmarked for the poor and disadvantaged. Simultaneously, Congress reduced funds earmarked for the academically excellent under NDEA, the space program, NSF, and other federally sponsored training programs, particularly in the sciences. The criterion for federal

---

[24]This *datum* was brought to my attention in a speech entitled, "The Education Amendments of 1972," delivered November 9, 1972, by Kenneth Young, former Vice President and Director of the Washington, D.C. office of the American College Testing Program at the Annual Meeting of the ACT Corporation.

[25]"National Commission on the Financing of Postsecondary Education," *op. cit.*, p. 115.

[26]"National Commission on the Financing of Postsecondary Education," *op. cit.*, p. 117.

assistance shifted from merit to need, as higher education became part of the "Great Society" and a vehicle for social change and improvement. Though the United States had reached the moon but could not solve the problems of the inner city, government policies encouraging universal higher education and open access seemed to offer some hope that it could.

Combining higher education's four federal income streams or support categories, total federal expenditures reached an annual funding level of approximately $8 billion by the end of 1972.[27] The geometric increase in college and university income from federal sources since World War II can be seen as a cumulative process attributed firstly to the growth in government support of university-based scientific research and training during the 1940s and 1950s, followed by support for construction and various manpower programs in the early 1960s and most recently by escalating support for student assistance. While the other areas have stablized or declined, student assistance continues to grow. This trend seems likely not only to continue, but as a result of the passage of the 1972 Higher Education Amendments (P.L. 92-318), a student-based voucher system targeted on the poor has potential for becoming the principal mechanism for federal financing of higher education. At the same time, because of its consumer orientation, such student assistance is a direct threat to institutional autonomy and highly resented by meritocratically oriented faculty and institutions.

Federal Impact

Federal legislation and policies have a profound effect on how universities and colleges govern themselves and manage their affairs. As Glenny and Dalglish have noted, federal legislative influence on universities and colleges falls into two categories:

> First, a range of conditions, rules and regulations may accompany federal funds which universities are free to accept or reject voluntarily. Second, a federal grant may call into effect some general federal legislation dealing with such matters as fair labor standards, minimum wages, labor-management relations and campus disorders. Laws such as those on patents, copyrights and taxes may have an obvious but incidental effect on the universities.[28]

They proceed to point out the numerous ways colleges and universities are subject to federal regulation by virtue of having accepted federal money. Federal statutes, administrative rules or regulations of a federal agency, rules and regulations of a state agency through which federal funds might pass, or conditions peculiar to a particular contract with an individual faculty member all help shape institutional decision making.[29] Administrative regulations, because of their specificity, tend to be far more influential in guiding internal university and college decisions than the more general pieces of legislation.

Most annoying to colleges and universities in recent years have been compliance requirements under federal affirmative action guidelines that accompany federal grants and contracts exceeding $50,000. Under Executive Orders 11246 and 11375 issued by President Lyndon B. Johnson, institutions are required to demonstrate good faith in their hiring and promotion policies by reaching pre-set goals and increasing the numbers of minority group members and women on their faculties and staffs. Failure to comply with Title VII of the 1964 Civil Rights act covering equal employment opportunity and Titles VI and IX of the Higher Education Act

---

[27] *Ibid.*

[28] Lyman A. Glenny and Thomas K. Dalglish, "Higher Education and the Law," in ed. James A. Perkins, *The University As an Organization* (New York: Carnegie Commission, McGraw-Hill, 1973), p. 186.

[29] *Ibid.*, pp. 186-87.

covering non-discrimination against students in federally assisted programs and non-sex discrimination respectively can result in loss of government contracts and grants. Overseen by HEW's Office of Civil Rights, the Department of Labor, and the Equal Employment Opportunity Commission, the enforcement of affirmative action programs has involved institutions in lengthy and costly revisions of personnel practices as well as lawsuits brought by individuals seeking redress in the courts. Considered a rude intrusion into their internal decision-making process, such measures are forcing institutions to abandon complete reliance on "old-boy" networks and democratize their hiring and promotion policies whether they like it or not. Added impetus in breaking down sex discrimination in salary determination is the Equal Pay Act (1963) administered by the Department of Labor.

Finally, the federal government has been moving to scrutinize and possibly regulate three processes long considered within the exclusive purview of higher education institutions, their representative organizations, or their faculties. The three processes are the analysis and establishment of financial need criteria to determine levels of eligibility for participation in federally funded student assistance programs; the peer review process of determining the distribution of National Science Foundation contracts and grants; and the accreditation of institutions and their programs by voluntary regional accrediting associations. Increasingly, the Congress and the executive branch are eying these areas and suggesting that in the name of consumer protection and the public interest, they should be subject to government regulation and control.[30]

More and more institutions and their faculties are being forced by economic circumstance to openly acknowledge their dependence on federal funds and regulations and be more accountable for their own managerial and fiscal performances, as well as subject to government scrutiny of their programs and goals. Even more federal intervention and regulation are sure to follow. Government is expected to continue to emphasize its own priorities which more than likely will include a strong commitment to egalitarian principles. It will insist on using its own standards for review and evaluation of how its funds are used by universities and colleges. This fact, more than any other, makes clear the lack of self-sufficiency and independence on the part of institutions. Looking to the future, however, it would appear that continued erosion of institutional autonomy will come about more from state action and involvement in higher education than from federal intervention. An examination of the evolving state role in higher education and its relationship to university and college governance would seem to support this prediction.

State Role and Influence

Current efforts by state governments to better plan and rationalize the allocation of resources to colleges and universities through statewide coordinating mechanisms promise to have a profound influence on the internal governance of those institutions. Because state government coordination and planning can threaten the integrity and autonomy of educational institutions, this development warrants careful examination. Some historical background should be useful.

Beginning in 1963 with the passage of the Higher Education Facilities Act, an increased emphasis has been placed on state-level planning and coordination of higher education as a condition for receiving federal funds. State commissions "broadly representative of the public and of institutions of higher education" had to be created or designated for the purpose of developing and submitting state plans for the utilization of funds under Title I (aid for

---

[30]Chester D. Finn, Jr., "Federalism and the Universities: The Balance Shifts," *Change*, vol. 7, no. 101 (Dec. - Jan. 1975), pp. 24-29.

undergraduate facilities) of the act. In 1965, the State Technical Services Act required that a statewide agency submit plans to the Department of Commerce before assistance would be forthcoming. That same year, the Higher Education Act required the designation of an agency to develop a state plan under Title I (community services and continuing education), periodic consultation between institutions and the state commission (Title II — libraries), and the designation of a state commission to coordinate requests under Title VI (assistance for the improvement of undergraduate instruction).

Section 1202 of the 1972 Amendments to the 1965 Higher Education Act requires the establishment of a state commission or the designation of an existing statewide agency or planning board with representation from all sectors of postsecondary education (including proprietary schools) for planning purposes before federal funds to implement Title X (expansion of community colleges and occupational education) will be made available. In addition, Section 1203 of the 1972 Amendments gives a broad mandate:

> . . . to any State Commission established pursuant to Section 1202 (a) to enable it to expand the scope of the studies and planning required in Title X through comprehensive inventories of studies with respect to all public and private post-secondary educational resources in the State, including planning necessary for such resources to be better coordinated, improved, expanded, or altered so that all persons within the State who desire and who can benefit from post-secondary education may have an opportunity to do so.

As yet, only $3,000,000 has been appropriated to implement the "1202 Commissions" and there continues to be a great deal of controversy within individual states as to how existing boards or commissions established under prior legislation should now be reconstituted and expanded to fit the requirements of the new law. Members of these commissions or agencies are and will continue to be appointed or approved by the governors of the state, a practice that has been used since 1963.

It is almost impossible to generalize about existing state structures for higher education and their functions except to note their distinguishing characteristics and various organizational forms. Berdahl has divided the states into four categories based on the degree of centralized coordinating authority exercised over all major public institutions within each state. His categories are:

I. States which have neither a single coordinating agency created by statute nor a voluntary association performing a significant statewide coordinating function.

II. States in which voluntary statewide coordination is performed by the institutions themselves operating with some degree of formality.

III. States which have a statewide coordinating board created by statute but not superseding institutional or segmental governing boards. This category is divided into four sub-types:

   a. A board composed in the majority of institutional representatives and having essentially advisory powers.

   b. A board composed entirely or in the majority of public members and having essentially advisory powers.

c. A board composed entirely or in the majority of public members and having regulatory powers in certain areas without, however, having governing responsibility for the institutions under its jurisdiction.

IV. States which have a single governing board whether functioning as the governing body for the only public senior institution in the state or as a consolidated governing board for multiple institutions, with no local or segmented governing bodies.[31]

States run the gamut from either no central coordinating agency through those with voluntary agencies and only advisory functions to those with regulatory and control functions. Exact differences among them, while difficult to sort out, can be summarized largely in terms of the range of authority that they exercise. As Berdahl states:

> Of the 48 existing agencies 41 have jurisdiction over all or nearly all public higher education. In seven states – one with a coordinating board (North Carolina) and six with governing boards (Arizona, Florida, Iowa, Kansas, Mississippi, and Oregon) – the junior colleges are coordinated separately and where post-high school vocational-technical education is handled outside the junior colleges or university branch campuses, it is usually not under agency jurisdiction. In six states – three with coordinating boards (Michigan, New York, and Pennsylvania) and three with governing boards (Idaho, Montana, and Rhode Island) – the State Board of Education has been designated as the coordinating agency and its jurisdiction encompasses not only higher education but also the public school system. . . .
>
> . . . more agencies are attempting to incorporate the private sector of higher education in their planning efforts. But as a matter of law, only the State Board of Regents in New York has jurisdiction over the private sector with respect to program approval. In Connecticut, Minnesota, and Missouri, the coordinating boards are empowered by law to request information from private institutions, and to make planning recommendations which include the private sector . . . . Federal programs administered by state coordinating agencies are willy-nilly bringing those institutions in the private sector which participate in such programs under agency jurisdictions in those limited areas.[32]

The issues that arise from the various forms and functions of state-level structures for higher education are closely related to questions of centralization and decentralization in our federal system of government. In recent years, as there has been a rapid increase of federal support and programs for higher education, there has developed increased reliance on state systems for the administration of federal funds and programs. The establishment of comprehensive state mechanisms for coordination and planning brings to the state government a measure of coherence in relations with higher education that does not and cannot exist at the national level because of problems of fragmentation and scale. At the same time, these state boards are accountable to the federal government for the funds they receive and serve as instruments of federal policy and control.[33] Yet as they become increasingly responsible for administering federal funds and

---

[31] Robert O. Berdahl, *Statewide Coordination of Higher Education* (Washington, D.C.: American Council on Education, 1971), pp. 18-19.

[32] *Ibid.*, pp. 22-23. The difference between a coordinating board and a consolidated governing board is the degree of autonomy left to institutions. In the case of a statewide coordinating board, individual institutions will still have their own lay governing boards that regulate the internal life of the institution. In the case of consolidated governing boards there is a single board for all institutions, usually composed of institutional representation and members of the general public representing the public interest.

[33] Lanier Cox and Lester E. Harrell, *The Impact of Federal Programs on State Planning and Coordination of Higher Education* (Atlanta Southern Regional Education Board, 1969). Cited in John J. Corson, "Institutional Governance Within a System," *Educational Record*, LIX, no. 2 (Spring 1973), p. 111.

programs and gain greater control over state institutions, public and private, as suggested by the "1202 Commissions," there will inevitably follow greater centralization of decision making by the executive branch of state government.

Greater decentralization within the federal system means greater centralization of decision making in state governments at the expense of legislative authority and the autonomy of universities and colleges. Increasingly, state coordinating and governing boards are coming to resemble the British University Grant Commission, which determines the allocation of all financial support for colleges and universities in Britain. Depending on the state, they are becoming increasingly involved in the principal processes by which critical decisions are made about future ends and means in all postsecondary education such as the budget, admissions and class size, student-faculty ratios, size and number of campuses, etc.[34] Their professional staff members, many of whom are attached to budget and planning offices in the state administration, have begun to develop and use sophisticated management information systems in the collection and storage of pertinent higher education data. With this resource, a program planning and budgeting approach to setting objectives and measuring results has become a reality, even though still in limited use. Institutional claims are scrutinized in terms of state priorities and resources and allocational decisions made accordingly.

At the present time, few institutions of higher education or legislatures have the informational or analytical capacity of the coordinating and governing boards that are able to draw on the resources of the executive branch of state government. State budget offices are increasingly well staffed with higher paid professionals who see a need to coordinate all functions of state government. As management information systems and program budgeting gain acceptance, budget staffs will have the capacity to make decisions that were once in the province of institutions. It is such incursions into the educational policy process that threaten the autonomy of institutions.[35]

While various styles and forms of state planning and coordination exist across the country, there is a common tension between state government officials charged with such responsibilities and heads of individual institutions and institutional systems. The issue or principal point of contention is who ultimately controls institutional resources and determines institutional priorities, both academic and financial. Designed and put into place during a period of growth and expansion in higher education, most statewide boards and planning agencies were equipped to do little more than help institutions plan how to expand in order to accommodate ever-increasing student enrollments, build faculty size, and construct new physical facilities. Hard allocational choices were not necessary. Today, however, these same bodies are being used to force institutions to make hard decisions with regard to the continuation of academic programs, class sizes, faculty hiring, and salary levels.

Since most state budget decisions are based on enrollment projections, the current drop in enrollments and general economic recession have resulted in more stringent state budget reviews. There was far less tension between states and institutions when "more of everything" was to be had than there is today in a period of contracting resources. There is still less tension between institutions and state boards where both are part of the same system. State systems like North Carolina, Wisconsin, and West Virginia, where all public institutions have been consolidated under a single governance and planning mechanism, have worked out reasonably cooperative arrangements

---

[34]Lyman A. Glenny and George B. Weathersby, eds., *Statewide Planning for Postsecondary Education: Issues and Design* (Boulder, Colorado: National Center for Higher Education Management Systems at Western Inter-state Commission for Higher Education, 1971), p. 36.

[35]*Ibid.*, p. 27.

between individual institutions and the central governing body. It is in states like New Jersey where the state university (Rutgers) and the state coordinating board are not one and the same that extreme tension exists. Roles and jurisdictional limits remain to be sorted out. It seems clear that the purposes of institutional boards need to be redefined within large state systems where increasingly all institutions are governed by a single "superboard."

As a result of increased state intervention and control, institutions are being forced to retreat from the extremely democratic modes of governance adopted during the 1960s and early 1970s. The need to collect and analyze increased amounts of institutional data for state reporting purposes, the need to demonstrate fiscal responsibility, and the ability to make hard choices among academic programs and services that may or may not be financially viable require colleges and universities to exercise far greater administrative control over their internal affairs than they have in the past. A more hierarchical decision-making structure resembling the corporate model may therefore emerge. This may be perceived by the many new groups now participating in institutional decision making (*e.g.*, junior faculty, women, blacks, etc.) as a reduction of their power and influence. As suggested earlier, therefore, the reaction to increased "managerialism" may well be increased unionization and litigation which will only further decrease the ability of institutions to manage their own affairs.

It is clear that there should be increased representation on state coordinating boards by those being coordinated. Also, clear lines must be drawn between the planning-coordination function and the governing-management function. The former should be kept to data collection, analysis, and budget recommendations; the latter should be kept to state systems that are single statewide university systems. Above all, control of institutional leadership and initiative under either system should be in the form of a post-audit and inspection rather than a pre-audit and the earlier direction institutional priorities took. Also, state boards, whether of the planning type (*e.g.*, New Jersey) or the governing type (*e.g.*, New York and California), should serve as buffers between institutions, legislatures, and executive branches of state government in order to insulate academic decisions from political considerations.

Perhaps the greatest dilemma posed by the state coordinating and governing structures is how they will achieve such objectives as economic and efficient allocation of resources along with, perhaps, a reduction in wasteful competition and duplication among institutions – public and private – without seriously limiting the rich diversity of postsecondary institutions and programs. This is clearly a problem of institutional autonomy and maintenance, but it is also a political problem of whether these institutions coordinate their own policies and activities, particularly with regard to fiscal matters, or leave this function to government. The fact that there are only two states with voluntary statewide coordinating agencies perhaps attests to the inherent weakness of this arrangement.[36] Effective coordination of necessity implies some degree of coercion and control.

At the state level as at the national level, the budget is the most effective coordinating instrument and it is lacking in most voluntary arrangements. With the prospect of even greater federal support for postsecondary education being channeled through states, the trend toward further centralization at this level of government should continue as well as increased representation of the public interest on coordinating boards to which institutions may be held accountable. Institutional autonomy will have to be preserved in new and better ways or redefined to make allowances for even more government control. It is clear that tensions existing within institutions with regard to such issues as equity and efficiency, centralized and decentralized control as well as direct and indirect representation of discrete interests also exist between institutions and government. How such tensions, both internal and external, are resolved will depend

[36]Berdahl, *op. cit.*, p. 20.

ultimately on the reconciliation of institutional goals, functions, and missions with the needs of a changing society.

Governance As Social Context

The concept of governance in higher education is clearly an abstraction since in practice decision-making power in that elusive entity called an academic community is shared by a variety of diverse interests both inside and outside colleges and universities. Within institutions, special groups and constituencies of faculty, students, departments, research institutes, blacks, and women vie with one another ". . . as the differential interests of each are pursued."[37] Institutional heads and members of governing boards find it impossible to make decisions in the face of conflicting countervailing power groups and are themselves unsure of their own roles and responsibilities. They are reduced to the use of subterfuges and smoke screens as they seek expedient ways of exercising unclear authority. At the same time, a myriad of federal and state agencies have come to exercise influence over university and college policies through their criteria and categories for financial support and their regulations (*i.e.*, "strings") governing conditions and methods by which such support is to be given or denied. Because of increasing dependence on government funds, colleges and universities, public and private, find themselves subject to increasing government intervention and control.

Other outside agencies and groups share in university and college decision making as well. Alumni, parents, foundations, numerous quasi-governmental boards and councils all contribute to the manner and substance of institutional decisions. Of particular importance are the standards and conditions set for institutions by regional accrediting associations, which in turn determine institutional eligibility for federal grants and programs.[38] Often in competition with state licensing agencies, disciplinary organizations, and professional school accrediting bodies, these associations, while creatures of the institutions themselves, have a life of their own and do make judgments externally that help regulate colleges and universities internally.[39] Roger Heyns, president of the American Council on Education (yet another external organization with which institutions share their autonomy), is certainly correct in his observation that decision making in higher education ". . . is an uneven and complicated partnership among many groups."[40] He is obviously a master of understatement.

It is often argued that the loss of institutional autonomy and the "disintegration of the academic community" merely reflect a growing interdependence between colleges, universities, and society as a whole. As academic institutions lose their autonomy and what Clark Kerr would characterize as their "soul" or "single animating principle," they are less able to interpose themselves between competing societal demands and the purely academic interests of faculty and students.[41] The argument is as old as Plato's academe. Whether the purpose was preparing a small elite within a cloistered grove to rule a city-state or teaching farmers how to develop better methods of soil conservation, formal learning has always had and will always have an instrumental dimension. Institutions of higher education did not long support the notion of learning for learning's sake as espoused by Cardinal Newman. They moved quickly to embrace Abraham Flexner and his concept of "an institution consciously devoted to the pursuit of knowledge, the solution of problems, the critical appreciation of achievement and the training of men at a really high level."[42] While the research university continues to approach the

[37]Glenna and Dalglish, *op. cit.*, p. 194.

[38]Harold Orlans *et al.*, *Private Accreditation and Public Eligibility* (Washington, D.C.: U.S. Office of Education, 1974), p. 41.

[39]*Ibid.*

[40]Quoted in Glenny and Dalglish, *op. cit.*, p. 194.

[41]Clark Kerr, *The Use of the University* (Cambridge: Harvard Univ. Press, 1963), p. 19.

[42]*Ibid.*, p. 4.

Flexner ideal, it, like the hundreds of other less comprehensive centers of learning in America, serves utilitarian ends, whether it likes to admit it or not. The acceptance of the first defense-related research contract ended forever the myth of innocence in American higher education. The subsequent commitment to expand educational opportunity, first to veterans and then to the economically disadvantaged, carried colleges and universities even further into the social mainstream. The trend is irrevocable. Expectations are too high and institutional capacity too great to turn back now.

It is true that greater social involvement and the addition of new functions have both increased internal dissension and invited increased external intervention. The prototypical American institution of higher education has been in disequilibrium ever since research and public service were added to the basic teaching function. Growth and the addition of an ever-increasing variety of student and faculty backgrounds have merely made synthesis more difficult, but not impossible. Flexible means can be found to accommodate criticism and change. The great paradox of increased democratization within colleges and universities, however, is that sluggishness and lack of institutional responsiveness have been the result. Yet, wide participation and indirect representation of all groups in institutional decision-making must be maintained if the process is to remain legitimate. Power should be redistributed, but not at the expense of the ability to make hard choices and decisions when necessary. There must be a willingness by internal groups and individuals to concede some autonomy so that leadership is possible. Concurrently, there must be a recognition on the part of external groups and agencies that a reasonable degree of institutional autonomy is necessary if higher education is to do what it does best – teach and do research. Herein lies the animating principle so necessary for good university and college governance.

Governance and Public Policy

Clearly there is a growing inclination on the part of federal and state governments to intervene in the affairs of colleges and universities. By the same token, individual institutions of higher education are increasingly unable to manage their own affairs due to fragmented internal decision-making structures, consolidation into multi-campus systems that are centrally coordinated and planned, and in the particular case of private institutions, growing dependence on public sources of funding. The challenge to policy makers is the determination of appropriate roles for the federal government, state governments, and individual institutions, both public and private, in the governance of the collegiate sector of postsecondary education.[43] The policy problem therefore becomes first one of specifying the goals and purposes of the higher education enterprise and then one of encouraging the proper balance between self-regulation and external regulation necessary to achieve them.

The role of the federal government in higher education has traditionally been indirect and derivative in character – and it should continue to be so. At the same time, while recognizing the instrumental value of education and the need to justify public support in terms of contribution to the public good, education's intrinsic value and implicit public benefit should be recognized by policy makers as well. Federal funding of the "cost-of-education" provision in Title IV of the 1976 Higher Education Amendments would be a significant step in this direction. In addition, institutions of higher education should be encouraged to be responsive and accountable to growing public demands and needs but not in ways that violate basic institutional integrity and the academic freedom necessary for good teaching and research. Twelve major

[43]The National Commission on the Financing of Postsecondary Education established the distinction between the collegiate and noncollegiate sectors of postsecondary education in its 1973 report. The former is composed of nonprofit colleges and universities; the latter, for profit proprietary institutions.

pieces of federal legislation now govern many aspects of college and university life. Each increases significantly the management costs of institutions and decreases institutional flexibility.[44] Such laws, which include Equal Employment Opportunity, Occupational Safety and Health, and Affirmative Action need not be "obnoxious forms of federal regulation."[45] Designed largely for the business and government sectors of society, they need subtle and sensitive adaptation to the rather unique personnel and management practice of academic institutions. Of course, colleges and universities should have taken the lead in formulating their own guidelines and practices similar to those called for by federal legislation. But not having done so, they should now be cooperative. They would, of course, respond far more readily to positive federal inducements than to coercion. Cost-of-education allowances tied to federally funded students and compliance subsidies could well serve as positive incentives that might result in far greater institutional responsiveness and accountability.

State governments are obviously of growing importance in the governance pattern of higher education, both public and private. Increased government planning and coordination at the state level suggest far greater control of educational institutions and activities by state government than has ever been the case with the federal government will take place. The prospect of increased reliance on state funding by institutions, both public and private, and the possibility of a higher education special revenue sharing arrangement whereby states determine the allocation of federal student aid funds, should only increase the possibility of greater centralization at the state level. This trend will further decrease the importance of traditional decision-making structures within separate institutions such as presidential offices and faculty senates. It will also encourage increased parochialism along state lines to the detriment of a national, albeit informal, set of standards and aspirations among all segments of higher education.

In the name of efficiency, state policies will serve to further diminish the role of lay governing boards as individual institutions are brought under single "superboards" for purposes of planning and coordination.[46] Performance-based and enrollment-based budget allocation formulae will likely determine academic program decisions more often than individual faculties of individual institutions. Given the momentum of collective bargaining among faculties in colleges and universities, both public and private, personnel decisions, like program decisions, will be made in state capitols (or through the intervention of the NLRB [National Labor Relations Board] in the case of private institutions) or on a system-wide basis, rather than on the campuses of single institutions.

The policy issue that emerges from the question of appropriate roles in the governance of higher education is most certainly the following: What is the future of the single institution of higher education and what happens to the quality of its educational program and personnel when critical decisions in these areas are made not by the administrative leadership, the trustees, the faculties or the students of those institutions, but by external agencies? The prospects are particularly ominous for financially strapped small private colleges. Will such institutions go the way of "mom and pop" grocery stores and the small independent family farm? What will be lost from America's culture and value structure if this happens? Does it really make any difference? Clearly these are critical questions that educators, their friends in policy-making roles, and most of all the constituent members of their own institutions must try to answer.

---

[44]"Will Government Patronage Kill the Universities?", *Change*, vol. 7, no. 101 (Dec.-Jan. 1975-76), p. 12.

[45]Chester E. Finn, Jr., "Federalism and the Universities: The Balance Shifts," *Change*, vol. 7, no. 101 (Dec.-Jan. 1975-76), p. 24.

[46]John D. Millett, "What, No Governing Boards?", *Association of Governing Boards of Universities and Colleges Reports*, vol. 17, no. 9 (Nov.-Dec. 1975), pp. 24-30.

The tragedy is that American institutions of higher education have not done a very good job of regulating themselves. They have done an even worse job of cooperating on a voluntary basis to pursue common public policy objectives, to avoid programmatic duplication and overlap, or to agree on common goals and objectives. Witness the recent split within the Association of American Colleges between public and private institutions, the constant sniping at the one-voluntary umbrella organization designed to bring together all of higher education's disparate elements, the American Council on Education, and the almost suicidal debate between public and private institutions over the half-cost provision in the proposed 1976 Higher Education Amendments. It is easy to discern higher education's chronic inability to do the regulating job itself – government both federal and state, has had to do the job for it. Federal government is stepping in to question peer review as a perpetuation of academic "cronyism" and to question the seemingly self-serving nature of the existing institutional and departmental accrediting processes because higher education has not made the best case for such practices publicly or undergone sufficient self-scrutiny to be sure there are no abuses.[47]

Higher education institutions are composed primarily of people pursuing educational objectives. The job they do can be done best if they are allowed to pursue these objectives in the absence of direct government control. Yet, along with academic freedom and institutional autonomy goes the responsibility for the maintenance of the public trust – surely such freedom and responsibility need not be incompatible or mutually exclusive. A new social contract can be forged between government as agent of the public interest and institutions of higher education that hold the public trust. At the heart of that contract must be the notion of higher learning's public responsibility but individual rights and responsibilities must be guaranteed as well. Scholarship, after all, is higher education's most valuable public service. Its quality can only be enhanced by the freedom of individual intellectual inquiry often within the supportive and open environment of a particular college or university. No form of governance should deny that end.

---

[47]Chester E. Finn, Jr., *op. cit.*

The Aspen Institute Series on
Education for a Changing Society

Occasional Papers

Educational Indicators and Educational Policy
by Thomas C. Thomas and Meredith A. Larson, Stanford Research Institute
32 pages—$1.50

The Not-So-Steady State of Governance in Higher Education
by Donald M. Stewart, University of Pennsylvania
32 pages—$1.50

Students, Schools, and Educational Policy: A Sociological View
by Sarane Spence Boocock, The Russell Sage Foundation
36 pages—$1.50

A Developmental Psychologist Looks at Educational Policy: Or The Hurrier I Go The Behinder I Get
by Helen L. Bee, Developmental Psychologist
36 pages—$1.50

The Declining Economic Value of Higher Education and the American Social System
by Richard B. Freeman, Harvard University
32 pages—$1.50

Governance of Elementary and Secondary Education
by Michael W. Kirst, Stanford University
32 pages—$1.50

The Demographic Context of Educational Policy Planning
by Peter A. Morrison, The RAND Corporation
40 pages—$1.50

Books

The Monday Morning Imagination: Report From the Boyer Workshop on State University Systems
Edited by Martin Kaplan, Aspen Institute for Humanistic Studies
160 pages—$3.95

Aspen Institute for Humanistic Studies

Trustees

Robert O. Anderson, Chairman
Thornton F. Bradshaw
The Lord Bullock
Jack Conway
Marion Countess Doenhoff
Gaylord Freeman
William Gomberg
William C. Greenough
Najeeb E. Halaby
Robert V. Hansberger
Robert L. Hoguet
Judge Shirley M. Hufstedler
Robert S. Ingersoll
Howard W. Johnson
Alexander A. Kwapong
George C. McGhee
Donald C. McKinlay
Robert S. McNamara
John M. Musser
Paul H. Nitze
Alfonso Ocampo-Londono
Saburo Okita
James A. Perkins
Walter Orr Roberts
Joseph E. Slater
James H. Smith, Jr.
Soedjatmoko
Shepard Stone
Maurice F. Strong
Phillips Talbot
Alexander B. Trowbridge

Additional copies available from

Aspen Institute for Humanistic Studies

Publishing Program Office

P.O. Box 1652
360 Bryant Street
Palo Alto, CA 94302

$1.50

Richard Forster Graphic Design
Palo Alto, California